

House Study Bill 530 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED SECRETARY OF
STATE BILL)

A BILL FOR

1 An Act relating to the naming of certain business entities.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 486A.1002, Code 2011, is amended to read
2 as follows:

3 **486A.1002 Name.**

4 1. The name of a limited liability partnership must end with
5 "Registered Limited Liability Partnership", "Limited Liability
6 Partnership", "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

7 2. The name of a limited liability partnership shall not
8 contain any combination of letters, numbers, or symbols that
9 create a connotation that is offensive to good taste and
10 decency.

11 Sec. 2. Section 486A.1102, subsection 1, paragraph a, Code
12 2011, is amended to read as follows:

13 a. (1) The name of the foreign limited liability
14 partnership which satisfies the requirements of the state or
15 other jurisdiction under whose law it is formed and ends with
16 "Registered Limited Liability Partnership", "Limited Liability
17 Partnership", "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

18 (2) Notwithstanding subparagraph (1), the name of a limited
19 liability partnership shall not contain any combination of
20 letters, numbers, or symbols that create a connotation that is
21 offensive to good taste and decency.

22 Sec. 3. Section 488.108, Code 2011, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 4A. The name of a limited partnership shall
25 not contain any combination of letters, numbers, or symbols
26 that create a connotation that is offensive to good taste and
27 decency.

28 Sec. 4. Section 489.108, Code 2011, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 3A. The name of a limited liability company
31 shall not contain any combination of letters, numbers, or
32 symbols that create a connotation that is offensive to good
33 taste and decency.

34 Sec. 5. Section 490.401, Code 2011, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 4A. A corporate name shall not contain
2 any combination of letters, numbers, or symbols that create a
3 connotation that is offensive to good taste and decency.

4 Sec. 6. Section 499.4, Code 2011, is amended to read as
5 follows:

6 **499.4 Use of term "cooperative" restricted Name.**

7 1. A person including a corporation hereafter organized,
8 which is not an association as defined in this chapter or a
9 cooperative as defined in chapter 501 or 501A, shall not use
10 the word "cooperative" or any abbreviation thereof in its
11 name or advertising or in any connection with its business,
12 except foreign associations admitted under section 499.54. The
13 attorney general or any association or any member thereof may
14 sue and enjoin such use.

15 2. The name of an association shall not contain any
16 combination of letters, numbers, or symbols that create a
17 connotation that is offensive to good taste and decency.

18 3. This chapter does not control the use of fictitious
19 names; however, if a cooperative association or a foreign
20 cooperative association uses a fictitious name in this state,
21 it shall deliver to the secretary of state for filing a copy
22 of the resolution of its board of directors, certified by its
23 secretary, adopting the fictitious name.

24 Sec. 7. Section 501.104, Code 2011, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 1A. The name of a foreign cooperative shall
27 not contain any combination of letters, numbers, or symbols
28 that create a connotation that is offensive to good taste and
29 decency.

30 Sec. 8. Section 501.104, subsection 2, paragraph c, Code
31 2011, is amended to read as follows:

32 c. The name of a foreign cooperative, cooperative
33 association, or corporation authorized to do business in this
34 state, including as provided in section 499.54 or section
35 501A.221. The name of a foreign cooperative shall not contain

1 any combination of letters, numbers, or symbols that create a
2 connotation that is offensive to good taste and decency.

3 Sec. 9. Section 501A.301, Code 2011, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 4A. A cooperative name shall not contain
6 any combination of letters, numbers, or symbols that create a
7 connotation that is offensive to good taste and decency.

8 Sec. 10. Section 504.401, Code 2011, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 4A. A corporate name shall not contain
11 any combination of letters, numbers, or symbols that create a
12 connotation that is offensive to good taste and decency.

13 EXPLANATION

14 This bill amends a number of provisions relating to a
15 business entity that is domestic and organized under the
16 laws of this state or foreign and doing business in this
17 state. Types of business entities include limited liability
18 partnerships (Code chapter 486A), limited partnerships (Code
19 chapter 488), limited liability companies (Code chapter
20 489), business corporations (Code chapter 490), cooperative
21 associations (Code chapters 499, 501, and 501A), or nonprofit
22 corporations (Code chapter 504). In order for a business
23 entity to be organized or transact operations in this state,
24 it must comply with applicable legal requirements. The
25 conventions include certain naming conventions. For example,
26 a corporation's name must identify it as a corporation, its
27 name cannot imply that it is organized for an unlawful purpose,
28 and the name cannot use the name of an existing corporation
29 (Code section 490.401). This bill provides that a corporation
30 or other business entity cannot use a name that contains any
31 combination of letters, numbers, or symbols that create a
32 connotation that is offensive to good taste and decency.